

## TECH ORD GENERAL TERMS AND CONDITIONS

This document, together with the attachments appended hereto constitutes the basic Terms and Conditions for the Subcontract between the parties, and acceptance is strictly limited to the terms and conditions herein. Additional or differing terms, conditions or limitations of liability proposed by Seller, whether in a quote, acceptance or delivery document shall have no effect unless accepted in writing by Buyer. In particular, any limitation of labiality of disclaimer or warranty is expressly rejected. Agreement by Seller to furnish the goods or services to these terms and conditions, or Seller's commencement of such performance or acceptance of payment shall constitute acceptance by Seller of these Terms and Conditions.

- 1. **Definitions:** Words as employed in the Agreement Shall have their normally accepted meaning. The following terms shall have the described meaning:
  - (a) "Buyer" shall mean TECH ORD in this Purchase Order/Subcontract.
  - (b) "Subcontract" shall mean the Purchase Order. Subcontract or Contract these General Terms and Conditions, and any special conditions appended hereto or documents incorporated herein.
  - (c) "Goods" shall mean those Goods identified in this Purchase Order/Subcontract, which may be changed, from time to time by the mutual written agreement of the parties.
  - (d) "Services" shall mean those Services identified in this Purchase Order/Subcontract, which may be changed, from time to time by the mutual written agreement of the parties.
  - (e) "Seller" shall mean the party identified as the Seller in this Purchase Order/Subcontract.
- 2. **Price:** (a) The price established by this Subcontract are firm fixed prices unless otherwise stated in the Purchase Order/Subcontract. Seller warrants that any unit prices charged herein do not exceed the unit prices charged by Seller to other customers in sustainability similar transactions. (b) In the event Seller is liable to Buyer for any amounts, Buyer may, at its elections, set-off against any amount payable to Seller under this Subcontract.
- 3. Schedule and Delivery; Notice of Delay: Seller shall strictly adhere to all Subcontract schedules. Time is and shall remain of the essence in the performance of this Subcontract. Seller shall notify Buyer in writing immediately of any actual or potential delay to the performance of this Subcontract. Such notice shall include a revised schedule and shall not constitute a waiver to Buyer's rights and remedies hereunder. Delivery is considered on-time based on dock due date indicated on the Buyer's Purchase Order less 2 days. Orders received earlier than two (2) days from the agreed dock due date will be evaluated against the carrier's published delivery schedule. If the order was not shipped in compliance with the carrier's published delivery schedule, the supplier's on-time delivery performance may be impacted in the same manner as late delivery. In such cases, TECH ORD reserves the right to either refuse delivery or delay processing the supplier's invoice until the contracted dock due date. Suppliers who ship TECH ORD orders in compliance with the carrier's published delivery schedule will not be accountable for circumstances beyond their control that cause either early or late delivery.
- 4. New Materials; Packaging and Shipping: (a) All goods to be delivered hereunder shall consist of new materials. (b) Seller shall prepare and package the goods to prevent damage to deterioration and shall use best commercial practice for packing and packaging of items to be. Delivered under this Subcontract, unless otherwise specified in the Subcontract. (c) Unless otherwise stated in the Subcontract, F.O.B. point shall be Destination (Incoterms 2000 DDP).
- 5. Inspection and Acceptance: (a) Buyer's final acceptance of goods or Services is subject to Buyer's inspection within thirty (30) days after receipt at Buyer's facility or such place as may be designated by Buyer, notwithstanding any payment or prior test or inspection. (b) Seller and its suppliers shall establish and maintain a quality control and inspection program as specified in the Subcontract. Subject to applicable national security regulations, Buyer and Buyer's shall have the right of access, on an noninterference basis, to any of Seller's or Seller's supply chain sub-tier premises where any part of the work is being performed. Seller shall flow this requirement down its sub-tier supply chain suppliers as a condition of this Subcontract. Seller shall, without additional costs to Buyer, provide all reasonable in-plant accommodations, facilities, and assistance for the safety and convenience of the Buyer and the Buyer's representatives in the performance of their duties. (c) Seller shall keep and maintain inspection, test and related records, which shall be available to Buyer or Buyer's representative. Seller shall allow copies to be made and furnish all information required by the Buyer or Buyer's representative.
- 6. Rejection: If Seller delivers nonconforming Goods or Services, Buyer may, at its options and Seller's expense: (i) return the Goods for refund for credit; (ii) require Seller to promptly correct or replace the Goods or Services; (iii) correct the nonconformance(s); or (iv) obtain conforming Goods or Services from another source. Buyer shall specify the reason for any return or rejection of nonconforming Goods or Services and/or shall describe the action taken. In order to recoup monetary losses incurred by the receipt of nonconforming product and/or late deliveries, Buyer reserves the right to debit the Seller's account in accordance with the table below.



Late Delivery and/or Nonconforming Product	Penalty
1 week past due and/or 1 Purchase Order Line Item	2% of the Purchase Order value for each
2 weeks past due and/or 2 Purchase Order Line Items	3% of the Purchase Order value for each
weeks past due and/or 3 Purchase Order Line Items	4% of the Purchase Order value for each
4 weeks past due and/or 4 Purchase Order Line Items	5% of the Purchase Order value for each
5 or more weeks past due and/or 5 or more Purchase Order Line Items	10% of the Purchase Order value for each

- 7. Invoices (a) Invoices may be mailed when goods are shipped, but the time for payment shall not commence until Buyers actual or scheduled receipt, whichever is later, of items at their destination or upon satisfactory completion of services. (b) Buyer shall promptly pay seller amount due within 45 days, except if identified elsewhere in the Subcontract, unless the invoiced amount is in dispute. Buyer may withhold payment for shortages and/or non-conforming goods or Services. Buyer may entertain discounts on goods for expedited payments.
- 8. Changes: (a) By written order, Buyer may from time to time direct changes for: (i) technical requirements; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) place of performance. (b) if any such change causes an increase or decrease in the price or in the time required for its performance, Seller shall promptly notify Buyer thereof and assert its claim for equitable adjustment shall be made. However, nothing in this provision shall excuse Seller from proceeding immediately with the directed change(s). Change shall not be binding upon Buyer except when specifically confirmed in a written Change Order.
- 9. Force Majeure: The following events, and only the following events, shall constitute force majeure under this Subcontract: (a) acts of God or of a public enemy; (b) acts of Governments; (c) fires; (d) floods; (e) epidemics; (f) quarantine restrictions; (g) strikes; (h) freight embargoes; and,(i) unusually severe weather. In each case, the failure to perform must be entirely beyond the control and without fault or negligence of the Seller. Each party shall give the other immediate notice of any event that such party claims is a Force Majeure Condition that would prevent the party from performing it obligations hereunder, and of the cessation of the condition. A party's notice under this Section shall include the party's good faith estimate of the likely duration of the Force Majeure Condition.
- 10. Termination of Convenience: (a) Buyer may, by notice in writing, direct Seller to terminate work under this Subcontract in whole or in part, at any time, and such termination shall not constitute default. In Such event, Buyer shall have all rights and obligations accruing to it either at law or in equity, including Buyer's rights to title and possession of the goods and materials paid for. Buyer may take immediate possession of all work so performed upon notice of termination. (b) Seller shall immediately stop work and limit costs incurred on the terminated work. (c) If such termination is for the convenience of the Buyer, Buyer, after deducting any amount(s) previously paid, shall reimburse Seller for the actual, reasonable, substantiated and allowable costs with the total amount paid by the Buyer being determined by negotiation. If the parties are unable to agree upon the final price within on hundred 120 days from the date of termination notice Buyer shall issue its determination of a total amount to be paid. Should Seller not accept Buy's final determination Seller may avail itself of its rights in Article 22.
- 11. Termination for Default: (a) Buyer may, by written Notice of Default to Seller, terminate this Subcontract in whole or in part of the Seller fails to: (i) deliver goods or to perform the services within the tome specified in this Subcontract or any extension; (ii) make progress, so as to endanger performance of this Subcontract; or (iii) perform any of the other provisions of this Subcontract. (b) Buyer may require Seller to transfer title and deliver to Buyer, any partially completed goods and raw material, parts, tools, dies, jigs, fixtures, plans, drawings, services, information and contract rights (Materials) as Seller has produced or acquired for the performance of this Subcontract, including the assignment to Buyer or Seller's subcontracts. Seller further agrees to protect and preserve property in the possession of Seller in which Buyer has an interest. Payment for completed goods delivered to and accepted by Buyer shall be at the Subcontract price. Payment for unfinished Goods or Services, which have been delivered to and accepted by Buyer and for the protection and preservation of property, shall be at a price determined in the same manner as provided in the Termination of Convenience previsions hereof except that Seller shall not be entitled to profit. Buyer may withhold from Seller monies otherwise due Seller for completed goods and/or Material in such amounts as Buyer determines necessary to protect buyer against loss due to outstanding liens or claims against said goods and Materials.



- (c) Seller shall promptly notify Buyer if Seller is the subject of any petition in bankruptcy. In the event of Seller's bankruptcy, Buyer, in sole discretion, deems necessary. Failure to post such financial assurance upon 10 (10) days written notice shall constitute a default under this Subcontract. The rights and remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Subcontract.
- **12. Compliance with Law:** (a) Seller shall comply with all applicable provisions of Federal, state, and local laws; ordinances and all lawful orders; rules; regulations, including but not limited to FAA, DOT and other transportation regulations and Hazard Communication Standards promulgated pursuant to the Occupational Health and Safety Act.
  - (b) Seller shall control the dissemination of and access to technical data, information and other items received under this Subcontract in accordance with U.S. export control laws and regulations
  - (c) Seller shall comply with the requirement of the Foreign Corrupt Practices Act, as amended, (FPCA) (15 U.S.C. § §78dd-1, et. seq.) regardless of whether seller is within jurisdiction of the United Sates; and (iii) neither directly nor indirectly, pay offer, give or promise to pay or give, any portion of monies or anything of value received by Buyer to a non-U.S. Public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.
- 13. Ethical Standards of Conduct: Seller shall neither receive nor give any gifts or gratuities in connection with this Subcontract. Seller's employees are required to conduct company business with integrity and maintain a high standard of conduct in all business-related activities. Seller shall no participate in any unethical conduct during performance of this Subcontract. Seller shall not engage in any personal, business or investment activity that may be defined as a conflict of interest, whether real or perceived.
- 14. Intellectual Property: (a) Any work, writing, idea, discovery, improvement, invention (whether patentable or not), trade secret or intellectual property of any kind first made or conceived by Seller in the performance of this Contract or which is derived from the use of information supplied by Buyer shall be the exclusive property of the Buyer. Seller shall disclose promptly all such works, writings, ideas, discoveries, improvements, inventions, trade secrets or intellectual property to Buyer, and shall execute all necessary documents to perfect Buyer's title thereto and to obtain and maintain effective protection thereof. Any work produced under this Contract is to be deemed a work-for-hire to the extent permitted by law, and, to the extent not so permitted, shell be assigned to, and shall be, the exclusive property of, the buyer. (b) Seller hereby grants to Buyer, and to Buyer's subcontractors and customers, in connection with the use of , offer for sale, or sale of products provided to or work being performed for Buyer, and irrevocable, non-exclusive, paid-up world-wide license under any and all intellectual property (whether) domestic or foreign), including patents, copyrights, industrial designs and or mask works owned or controlled by Seller at any time of licensed to Seller, provided such a sublicense does not conflict with any provisions of the license to the Seller. (c) Seller hereby grants Buyer, and to Buyer's subcontractors and customers, a perpetual non-exclusive, paid-up worldwide license to reproduce, distribute copies of, perform publically, display publically, or make derivative works from any software included in or provided with Goods or Services under this Contract (Software Documentation) as reasonably required by Buyer in connection with Buyer's testing or use of the Good or Service.
- **15. Intellectual Property Warranty:** Seller warrants that the sale, offering for sale, use, or incorporation into manufactured goods and Materials (including software) of all machines, parts, components, services, devices, material, and rights furnished or licensed hereunder which are not Buyer's design, composition, or manufacture does not and will not infringe any valid patent, copyright, trade mark, or other proprietary or intellectual property rights.
- **16. Goods Warranty:** Unless stated otherwise in the documents accompanying these terms and conditions Seller shall warrant all goods against defects in workmanship, materials, design and performance for a period of one year following delivery. If this Subcontract is for delivery of goods, Seller shall observe, comply with and afford Buyer all applicable Uniform Commercial Code warranties contained in the South Dakota Consolidated Laws and Seller hereby and disclaimer of any such warranties.
- 17. Service Warranty: Unless stated otherwise in the documents accompanying these Terms and Conditions, Seller shall warrant all services against defects in performance for a period of one (1) year following delivery. If this subcontract included the provision of Services, Seller warrants that it has and will maintain sufficient trained personnel to promptly and efficiently execute the Services contemplated under this Subcontract. Seller further warrants that the services shall be performed to at least the standard of performance reasonably expected of similar service providers in Buyer's geographic region.
- **18. Extensions to Buyer's Customers:** All warranties furnished pursuant to this Subcontract extended not only to Buyer but also to Buyer's customers.
- 19. Indemnification: (a) Seller shall indemnify, hold harmless, and at Buyer's request, defend buyer, it's officers, directors, customers, agents and employees, against all claims, liabilities, damages, losses and expenses, including attorney's fee and cost of suit arising out of or in a any way connected with the Goods or Services provided under this Agreement, including, without limitation: (i) the breech of any warranty contained herein; (ii) any claim based in the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and associated cleanup costs; (iii) Seller failing to satisfy the Internal Revenue Service guidelines for an independent contractor (iv) any claim based on the negligence, omissions or willful misconduct of Seller or any of Seller's agents subcontractors, employees or anyone acting on behalf of Seller, and, (v) any claim by a third party against Buyer alleging that the Goods or Services (including but no limited



to software), the results of such Service, or another products or processes provided under this Agreement, infringe a patent, copyright, trademark, trade secret or other proprietary right of a third party, whether such are provided alone or in combination with other products, software or processes. Seller shall not settle any such suit or claim without Buyer's prior written approval. Seller agrees to pay or reimburse all costs that may be incurred by Buyer in enforcing this indemnity, including attorneys' fees. (b) Should Buyer's use, or use by distributors, subcontractors or customers, of any goods to Services purchased from Seller be enjoined, be threatened by injunction, or be subject of any legal proceeding, Seller shall, at its sole cost and expense, either: (i) substitute fully equivalent non-infringing Goods or Services; (ii) modify the Goods and Services so that they no longer infringe but remain fully equivalent in form, fit and functionality; (iii) obtain for Buyer, it distributors, subcontractors or customers the right to continue using the Good and Services; or, (iv) if none of the forgoing is possible, refund all amounts paid for the infringing Goods or Services. (c) Seller shall without limitation as to time, defend, indemnify and hold buyer harmless from all liens which may be asserted against property covered hereunder, including without limitation mechanic's liens or claims arising under Worker's Compensation or Occupational Disease laws and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by Buyer's negligence.

- **20. Insurance:** If this Subcontract is for the performance of services on Buyer's premises, or , Seller utilizes their own vehicles to deliver goods to Buyer's facility, Seller shall maintain the following in at least the minimum amounts stated:
  - (a) General Liability, Property Damage, Employer's Liability \$1 million
  - (b) Workers Compensation Insurance Statutory
  - (c) Motor Vehicle Liability \$1 million Seller shall arrange waiver of subrogation and shall name Buyer as an additional insured under each of the above policies and shall provide to Buyer within fifteen (15) days of Buyer issuance of this subcontract, a Certificate of Insurance evidencing compliance with this section.
- **21. Release of Information:** Seller shall not publish any information developed under this Subcontract, nor disclose, confirm, or deny any details about the existence or subject matter of the Subcontract, or use Buyer's name in connection with Seller's sales promotion or publicity without prior written approval of the Buyer.
- 22. Disputes: The provisions of this Subcontract shall be interpreted in accordance with the laws of the State of South Dakota without resort to said states' Conflict of Law rule, and in accordance with it fair meaning and not strictly against either party. Pending final resolution of a dispute hereunder, Seller shall proceed diligently with performance of this Subcontract and in accordance with all Terms and Conditions contained herein and with the Buyer's direction thereof. Buyer and Seller shall each bear its own costs or processing any dispute hereunder. In no event shall the Seller acquire any claim or direct course of action against the United States Government. Any dispute that is filed shall first be discussed by Senior Management of both Buyer and Seller. If within thirty (30) days the parties are unable to agree on a settlement of the dispute and action may be filed within a Court of Competent Jurisdiction in the State of South Dakota.
- 23. Assignments of Subcontracting: (a) neither this Subcontract nor any interest herein nor claim hereunder may be transferred, novated, assigned or delegated by Seller; nor may, all or substantially all of this Subcontract be further subcontracted by Seller without prior written consent of Buyer. Lack if consent shall not be deemed as, or relieve Seller of, its obligations to comply fully with the requirements hereof.
  - (b) Notwithstanding the above, Seller may, without Buyer's consent, assign moneys due or to become due hereunder provided Buyer continues to have the right to exercise any and all arising out of, and enter into amendments to the Subcontract without notice to or consent of the assignee. Buyer shall be given prompt notice of any assignment. Amounts so assigned shall continue to be subject to any of Buyer's right to set-off or recoupment under this subcontract or a law.
  - (c) Buyer may assign this Subcontract to any successor in interest.
- 24. Government Contracts: For each lower tier Subcontract awarded in support of and charged to a U.S. Government Contract, the Seller shall provide the appropriate flow-down clauses to include: (i) the appendices to the Subcontract will include a list or lists of causes set forth in the Federal Acquisition Regulation (FAR) or the Defense Federal Acquisition Regulation Supplement (DFARS) or any other Federally published Supplement; and (ii) such appended FAR, DFARS, or other clauses are incorporated by reference as if set forth at length herein. The effective date as of the date of the said subcontract.
- **25. Order of Precedence**: In the event of a conflict between these Terms and Conditions and other portions of the Subcontract, the order of precedence shall be: (a) any typed provisions on the face of Buyer's Subcontract specifically modifying the terms of this Subcontract; (b) these Term and Conditions; and, (c) any other provisions set forth in the Buyer's Subcontracts including any terms and conditions stated or referenced therein.
- **26. Independent Contractor Status**: Seller is, and shall remain, and independent contractor during the performance of this Subcontract.
- 27. Communication with Buyer's Customer: Buyer shall be solely responsible for any and all communication with Buyer's customer regarding this or any related Subcontract.
- 28. Survival: All of the provisions of this Subcontract shall survive the termination (whether for convenience or default), suspension or completion of this Subcontract unless they are clearly intended to apply only during the terms of this



Subcontract.

- 29. Audit Rights: Buyer reserves the right to audit Sellers records to assure compliance with terms of this Subcontract Seller shall make available all data reasonable requested by Buyer.
- 30. Export Regulations: The parties will comply with all U.S. Export Laws and regulations. The information which the parties may exchange during the course of any agreement may be subject to the Export Administration Act of 1979 and the Export Administration Regulations promulgated thereunder; the Arms Export Control Act and the International Traffic in Arms Regulations, and the sanctions law administered by the Office of the International Traffic in Arms Regulations, and the sanctions laws administered by the Office of Foreign Assets Control. The parties acknowledge that these statutes and regulations impose restrictions on import, export and transfer to other countries of certain categories of data and that license from the U.S. Department of State and/or the U.S. Department of Commerce may be required before such data can be disclosed hereunder and that such license may impose restrictions on use and further disclosure of such data. Should technical interchange with a foreign entity be required under any resultant subcontract agreement, CED requires no penalty be imposed for failure to perform, and requires time to process and receive an export license for the exchange in accordance with the ITAR.
- 31. Equal Opportunity and Affirmative Action: TECH ORD is a direct and indirect supplier of both goods and services to the U.S. federal government. As such, various Equal Opportunity and Affirmative Action requirements apply to TECH ORD and its supply chain. It is our expectation that any TECH ORD supplier of goods or services meeting the definitions below shall understand and comply with all Equal Opportunity and Affirmative Action requirements that apply.

## FAR 52.222-26

- (a) *Definition.* "United States," as used in this clause, means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.
- (b)(1) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of \$10,000, the Contractor shall comply with this clause, except for work performed outside the United States by employees who were not recruited within the United States. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.
- (2) If the Contractor is a religious corporation, association, educational institution, or society, the requirements of this clause do not apply with respect to the employment of individuals of a particular religion to perform work connected with the carrying on of the Contractor's activities (41 CFR 60-1.5).
- (c)(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. However, it shall not be a violation of this clause for the Contractor to extend a publicly announced preference in employment to Indians living on or near an Indian reservation, in connection with employment opportunities on or near an Indian reservation, as permitted by 41 CFR 60-1.5.
- (2) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to—
- (i) Employment;
- (ii) Upgrading;
- (iii) Demotion;
- (iv) Transfer:
- (v) Recruitment or recruitment advertising;
- (vi) Layoff or termination;
- (vii) Rates of pay or other forms of compensation; and
- (viii) Selection for training, including apprenticeship.
- (3) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
- (4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (5) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
- (6) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
- (7) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. The Contractor shall also file Standard Form 100 (EEO-1), or any successor form, as prescribed in 41 CFR Part 60-1. Unless the Contractor has filed within the 12 months preceding the date of contract award, the Contractor shall, within 30 days after contract award, apply to either the regional Office of Federal Contract Compliance Programs (OFCCP) or the local office of the Equal Employment Opportunity Commission for the necessary forms.



- (8) The Contractor shall permit access to its premises, during normal business hours, by the contracting agency or the OFCCP for the purpose of conducting on-site compliance evaluations and complaint investigations. The Contractor shall permit the Government to inspect and copy any books, accounts, records (including computerized records), and other material that may be relevant to the matter under investigation and pertinent to compliance with Executive Order 11246, as amended, and rules and regulations that implement the Executive Order.
- (9) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended; in the rules, regulations, and orders of the Secretary of Labor; or as otherwise provided by law.
- (10) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.
- (11) The Contractor shall take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance, provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.
- (d) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.